

**STATE OF ILLINOIS
ILLINOIS COMMERCE COMMISSION**

Illinois Commerce Commission	:	
On Its Own Motion	:	
	:	20-NOI-01
Notice of Inquiry regarding	:	
Energy Affordability	:	

**AMEREN ILLINOIS COMPANY'S INITIAL COMMENTS
IN RESPONSE TO NOTICE OF INQUIRY**

COMES NOW Ameren Illinois Company d/b/a Ameren Illinois (Ameren Illinois, AIC or the Company) and respectfully submits the following Initial Comments in response to the Illinois Commerce Commission (ICC or Commission) Notice of Inquiry 20-NOI-01 (NOI) regarding the affordability of energy services.

The NOI solicits comments on the following questions set forth in the Commission's March 18, 2020, order initiating this Notice of Inquiry. Ameren Illinois offers the following comments in response to the Commission's Inquiry.

I. INTRODUCTION

Ameren Illinois appreciates the opportunity to submit these Initial Comments in response to the questions posed by the Commission in its Notice of Inquiry regarding energy affordability. The Commission is interested in examining concerns expressed in the *"Resolution of Best Practices in Data Collection and Reporting for Utility Services Delinquencies in Payments and Disconnections of Service"* that NASUCA and NARUC adopted in November 2019, and thus seeks to gather information to enable it to evaluate what information is available regarding the affordability of utility services, what the current state of the affordability of utility services is, and the impact on affordability of current programs and measures.

II. RESPONSES TO NOI QUESTIONS AND ISSUES

A. Information and Reporting

- 1. Please provide the following information.¹ Please provide the information by month and calendar year for periods beginning with January 1, 2013, and through December 31, 2019. If the information is not available, please address the feasibility of providing the information and include any recommendations regarding the format and other relevant parameters related to filing the information.**
 - a. the number of residential customer accounts that were disconnected during the period for non-payment and that remained disconnected (displacement) during the entire period;**
 - b. the number of residential customer accounts that were disconnected during the period and reconnected within 12 months;**
 - c. the number of residential customer accounts that received service and had past due balances;**
 - d. the number of residential customer accounts that were on deferred payment arrangements;**
 - e. the number of residential customer accounts that were on an arrearage reduction program;**
 - f. the number of residential customer accounts for which the utility required a deposit and the average size of residential deposits;**
 - g. the number of residential customer accounts that provided a medical certificate in response to a disconnection notice;**
 - h. the amount of payment and the number of residential customer accounts that received bill payment assistance, including but not limited to low-income energy assistance programs such as the Low-Income Home Energy Assistance Program (LIHEAP), state programs such as the Percentage of Income Payment Program (PIPP), utility programs, and social service programs such as Catholic Charities, Salvation Army or other charitable service organizations.**

Please see Appendix A (Attachment 1 – Items a – g).

- 2. Please provide the following information.² Please provide this information by census block, census block group, census tract, zip code, zip code plus four and/or as many categories as you have available. Please provide the information both by month and calendar year for periods beginning with January 1, 2013 and through December 31, 2019. If the information is not available, please address the**

¹ If information is currently reported to the Commission in another report, please identify the report and the entity to which it is reported (e.g., Chief Clerk's Office, Director of the Financial Analysis Division, etc.).

² If information is currently reported to the Commission in another report, please identify the report and the entity to which it is reported (e.g., Chief Clerk's Office, Director of the Financial Analysis Division, etc.).

feasibility of providing the information and include any recommendations regarding the format and other relevant parameters related to filing the information.

- a. Number of accounts that received:**
 - a. LIHEAP –Direct Vendor Payment**
 - b. LIHEAP Reconnection/Emergency Assistance**
 - c. Participated in PIPP**
 - b. Number of accounts that entered into a Deferred Payment Agreement (DPA) and:**
 - a. Average arrearage amount**
 - b. Average monthly installment payment amount**
 - c. Average length of DPA**
 - d. Number of DPAs by length of DPA (number of months)**
 - e. Number of DPA defaults**
 - f. Number of DPA reinstatements**
 - g. Number of DPA renegotiations**
 - h. Number of DPA successfully completed**
 - i. Number of accounts that received energy service from an independent (natural gas or electricity) provider.**
 - c. Number of accounts that were involuntarily disconnected for non-payment, including the number of such accounts that received energy service from a competitive retail (natural gas or electricity) provider.**
 - d. Number of accounts that were involuntarily disconnected during the period and that also had been disconnected previously within 24 months for non-payment.**
 - e. Number of accounts that were involuntarily disconnected for furnace red-tag.**
 - f. Number of accounts that were on an arrearage reduction program.**
 - g. Number of chapter 7 or chapter 13 bankruptcies notices received where the utility is listed as a creditor.**
 - h. Is the above information by census block, census block group, census tract, zip code, or zip code plus four available electronically for mapping purposes? If not, why not and how can mapping be enabled with the information maintained by the utility?**
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- a. Please see Appendix B (Attachment 2a)
 - b. Please see Appendix B (Attachment 2b – Items a-c and e-i and Attachment 2b – Item d).
 - c. Please see Appendix B (Attachment 2c).
 - d. Please see Appendix B (Attachment 2d).
 - e. Please see Appendix B (Attachment 2e).

- f. Please see Appendix B (Attachment 2f).
- g. Please see Appendix B (Attachment 2g).
- h. Information for the above Items 2a – 2g has been provided by zip code.

B. Credit and Collections Practices

1. Please identify and describe formal, written, and informal collection practice procedures.

Ameren Illinois' credit & collection practices comply explicitly with the rules and regulations set forth in 83 Ill. Adm. Code 280 (Part 280). AIC's customer billing system identifies customers with late payments in accordance with the Parts 280.50, 280.60, and 280.65. Residential bills are due 21 days after issuance. AIC's customer billing system is designed to identify residential late payments as any payment received more than two business days beyond the due date printed on the bill. Payment habits of AIC customers are sent monthly to a third-party vendor who evaluates the customer's account information and payment history. The purpose of this evaluation is to focus collection efforts on those customers who are unlikely to pay without further intervention; thereby balancing costs of collection efforts and customer satisfaction with the need to receive payment for service rendered.

Additional collection activity for both residential and commercial customers begins with a written disconnection notice and ends in meter disconnection if the customer takes no action. The disconnection notice is sent on qualifying accounts with a balance exceeding \$125. It is sent via standard US mail and provides customers with the balance due and the final date by which to pay that balance to avoid disconnection. The disconnection notice contains, at a minimum, all information required in Part 280.130(d), and Appendices A, B and D. 83 Ill. Adm. Code 280.130(d).

Three days prior to the due date on the disconnection notice, an outbound call is made to the accountholder as required in Part 280.130(j) to remind the customer of the impending disconnection and to solicit payment. 83 Ill. Adm. Code Part 280.130(j). Calls on all residential accounts are automated and made by a third party. While a phone call is only required during months where disconnection is permissible, AIC elects to continue these calls during the winter moratorium to maintain contact with the customer. The next step is to place an order for disconnection. Orders for disconnection are placed on all accounts where the customer has failed to make payment or payment arrangements and the delinquent balance is greater than \$125.

The collection activities described above for customers with open accounts are similar to the activities employed for customers with closed accounts. These customers receive a series of letters/reminders followed by an automated outbound call and monthly e-mails that are used to solicit payment before the account is placed with a collection agency. The use of third-party collection agencies is also considered to be a tool used in AIC's efforts to minimize uncollectibles.

2. If actual collection practices are different from formal or written procedures, explain the rationale for the modification.

AIC's core collection practices do not differ from formal or written procedures; however, the Company is always looking for new and creative ways to reach its customers. These practices are outlined in more detail in the Company's response to question 1 in Subsection F.

3. Identify how you can improve your existing collection practices and any plans for doing so.

Ameren Illinois continually seeks new and creative ways to reach its customers. With respect to improvement upon existing practices, the Company will focus on three core concepts: education, affordability and accountability. AIC has learned that some customers find the options available to them to be overwhelming and therefore, AIC educates its customers in areas such as

billing statements, payment options, supply choice, utility programs, and energy conservation options. To overcome this challenge, AIC continues to collaborate with its partner assistance agencies and other stakeholders with whom it shares customers. The goal of this collaboration is to inform AIC customers of the programs available and inform customers of the tools that will assist them in making the right choices for their personal situations. AIC has programs designed to promote affordability and elevate customer accountability such as self-serve options, payment plans and energy efficiency programs.

4. Please identify and describe the training for utility representatives who interact with consumers (Customer Services Representatives or CSRs) and the tools available for consumers who have billing issues, such as:

- a. determining consumers' ability to pay their bills and challenges for consumers in doing so**
- b. eligibility for public or private bill assistance**
- c. referrals to assistance programs and community services**
- d. consumer communication impediments.**

Ameren Illinois' New Hire Customer Service Training (New Hire Training) is approximately thirteen (13) weeks. New Hire Training includes classroom instruction covering core topics such as gas and electricity safety, energy assistance, billing, payment and special program offerings, electric supply choice, service orders, etc. In addition to the training on AIC's various computer systems, policies, rules and regulations, CSRs receive extensive "soft skill" training. Those skills include using empathy, sympathy, and active listening to determine what programs/offerings can best assist the caller. To reinforce skills learned in the classroom portion of the training, newly-hired CSRs also receive three to four weeks in a lab setting allowing them to experience live customer calls while having training personnel close by for questions and guidance. Once New Hire Training is complete, daily scorecards are used to monitor and enhance individual CSR performance.

Apart from New Hire Training, all CSRs receive multiple refreshers throughout the year on basic materials including gas leak safety, storm response, winter moratorium credit policies, summer credit policies, high bill talking points, various soft skill reminders and training on newly launched programs. These refreshers are timed to coincide with the peaks in certain activities. For example, storm refreshers are provided in the spring when weather can be an issue. Refreshers on available bill assistance are timed with the onset of the State's LIHEAP season. This keeps pertinent information in the forefront at a time when certain types of calls are at their peak.

To supplement the training process, AIC also has a robust Quality Assurance (QA) program. The QA Team actively monitors customer interactions to ensure that CSRs provide a consistent, accurate, and high-quality customer experience each time they interact with Ameren Illinois customers. Consistent quality across the organization is achieved by the following actions:

- Establishing quality attributes and guidelines for evaluating all calls that are aligned with AIC's core values and quality standards
- Analyzing evaluations to identify trends in performance
- Identifying opportunities for improvement
- Providing guidance to front-line supervisors by leading calibration sessions to ensure consistent evaluation across all Illinois call centers as well as the outsourced center.

In addition to ongoing training and QA evaluations, each CSR receives weekly coaching by their supervisor to ensure adherence to policies, accuracy of information provided, and to promote learning and growth.

AIC customers are a diverse group and as such have different preferences and abilities in terms of how they receive information provided by the Company. AIC offers a variety of methods

of communications with its customers including but not limited to bills (both traditional and paperless), bill inserts, email and text alerts, and press releases in both traditional and social media outlets. The same holds true in the reverse. Customers can also contact the Company using multiple channels, including person-to-person conversations by phone with a CSR, by phone using the Interactive Voice Response (IVR) and online via “Chat” functionality and/or email inquiries. Additionally, information regarding numerous topics can be found on the Company’s website and customers have self-service capabilities for multiple transactions via digital channels.

5. Please identify and describe tools used to encourage payment, including but not limited to detailed terms of deferred payment arrangements (including length of pay-back period and amount of payments), waiver of fees, and other discretionary accommodations.

Deferred Payment Arrangements as well as other AIC discretionary accommodations are described below. For the most part, discretionary accommodations are made on a limited basis; however, there are accommodations that are made across the customer base. With respect to customer level discretions, AIC strives for consistency when applying policy to ensure that all customers are treated fairly and without discrimination.

Deferred Payment Arrangements (DPAs)

Ameren Illinois’ payment agreement policies comply with all rules set forth in Parts 280.120 and 280.125 of the Commission’s rules. 83 Ill. Adm. Code 280. The Rule currently allows a customer to reinstate these payment agreements as many times as necessary by making the missed payment. Although allowed by statute, AIC does not charge a reinstatement fee for any customer taking advantage of this option. In addition to reinstatement, customers are also able to renegotiate the terms of the agreement should their financial situation change.

In addition to standard DPA offerings, AIC also offers a Medical DPA in accordance with Part 280.160 of the Commission’s rules which allows households experiencing medical issues to

guarantee continued service for 60 days while also allowing an additional DPA with special terms to assist the customer with retiring the debt. 83 Ill. Adm. Code Part 280.160. For customers with long-term illness requiring medical equipment in the home, AIC also keeps a Medical Equipment Registry in accordance with the Public Utilities Act. 220 ILCS 5/8-204. Although not a requirement, customers listed on the registry are protected from disconnection for non-payment.

While complying with the existing DPA rules, AIC also offers several options outside established rules. For example, a Short-Term Extension (STE) allows a customer to postpone the due date for the current balance until the due date of the next bill. This is advantageous for customers whose balances have not accumulated beyond 30 days and who are not in need of an extended repayment timeframe. Although not required, AIC also offers arrangements to residential customers with delinquent balances on closed accounts. Customers who have a balance but no longer require service in the territory, may make payments on that balance for up to nine (9) months to avoid being referred to an external collection agency. Those accounts receive an automated phone call and those with email addresses on file, receive an email reminding them of the balance and options for retiring the debt.

Pursuant to the Stipulated Agreement approved by the Commission in Docket 20-0309, AIC also offered more flexible DPA terms due to the ongoing public health emergency. The more flexible terms included reduced down payments and longer repayment options. Down payments were reduced from 25% and 20% to 10% and 0% for non-low-income and low-income customers, respectively. Customers were also allowed 18 to 24 months to retire the debt over and above the standard offering of 12 months. Customers who were not identified as low-income were allowed to verbally express hardship and were given the same terms as the low-income customers in an effort to relieve financial pressures and allow for successful repayment.

Waiver of Fees

AIC identifies low-income customers and waives both late payment charges and deposits assessed due to late payments in accordance with Parts 280.65 and 280.45 of the Commission's rules, respectively. 83 Ill. Adm. Code Part 280.45 and Part 280.65.

6. Please identify and describe tools to reduce delinquencies and disconnections, including new or expanded bill affordability programs such as percentage of income payment plans, discount rates, consumer education, expanding existing shutoff protections, customer payment plans, and flexible bill due dates.

Ameren Illinois designs programs to match the needs of its customers. Each program is created with a subset of customers in mind. Offering a variety of programs ensures that all customers have choices to meet their individual needs and all programs serve as tools to make energy service in its territory affordable for all customers.

Pick A Due Date

Residential and small commercial customers, with a smart meter at their location, have the option to pick a due date. If the originally assigned billing date and subsequent due date do not match the customer's cash flow, he/she can choose a new due date that will meet his/her personal financial needs.

Budget Billing

Budget Billing is another available tool offering Ameren Illinois customers the ability to manage their energy bill. Currently there are two types of plans: Settlement and Rollover. The Rollover plan is designed to continuously roll over from year to year. With this option, customers only "settle up" (pay the difference between the cost of the energy used and the amount they have paid) if they elect to close the account or cancel Budget Billing. The Settlement program differs from Rollover in that a customer's Budget Billing is "settled" once every twelve (12) months. The

bill in the settlement month reflects the difference between the cost of the energy used and the amount the customer has paid.

Text/Email Alerts

Ameren Illinois offers a wide variety of text and email alerts to assist customers with managing billing and payments. Alerts include bill reminders upon issuance of the bill, when the bill is approaching the due date, when the bill becomes past due, and when a Disconnection Notice is issued. There are also several alerts related to payment, including notification when a payment is received and notification when the payment is sufficient to cancel the Disconnection Notice and when it is not. Additionally, customers can receive text or email confirmation that an energy assistance grant has been received on the account. Aside from billing and payment information, there are also alerts available to assist with energy conservation; with notifications including a weekly cost summary and alerts when a customer's established usage and/or cost thresholds are met.

Flex Pay

Flex Pay is a voluntary payment option for residential electric and natural gas customers with Advanced Metering Infrastructure (AMI) meters. Flex Pay is a pay-as-you-go option that converts a customer's use of kWh and therms, and account payments, into the easily understood concept of "Estimated Days of Paid Service." It leverages AMI technology to provide participating customers with updates on a close to real-time basis on costs for gas and electric service so customers can better connect at-home behaviors with their impact on their costs for service. Just like filling up a car's gas tank, this program allows a customer to pay in advance for the energy he/she uses and the customer can translate the payment to "Estimated Days of Paid Service." Under the Flex Pay option, the customer receives text and/or email alerts informing him/her when

the credit balance is getting low and in need of a “refill.” In addition to use for budgeting, the program has great potential to be of use as an educational tool. For example, the frequent alerts help a customer to equate the monthly usage and cost to daily actions that can save on the bill before it is issued. This tool allows the customer to understand the at-home behavior that impacts the cost of the service billed.

Peak Time Rewards

The Peak Time Rewards program allows residential customers with a smart meter to earn a reward by reducing electricity consumption below their personal usage baseline. When an event is called, a customer can receive credits on the AIC bill by reducing consumption during times of peak usage.

Real Time Pricing/Power Smart Pricing

Real Time Pricing (RTP) is a price response program whereby residential customers choosing this option are billed at hourly market rates for electricity. Ameren Illinois supplements RTP with a user-friendly option known as Power Smart Pricing (PSP). PSP offers customers a package of services including educational materials, personalized updates, and online tools to help maximize their savings.

Percent of Income Payment Plan

The Percent of Income Payment Plan (PIPP) is a program administered by the State of Illinois' Department of Commerce and Economic Opportunity (DCEO). The program was designed to provide a better way for low- and fixed-income customers to manage their home energy costs, to help break the cycle of disconnection and reconnection, and place them on the path to becoming responsible bill payers; thereby reducing the cycle of disconnections. At this time, it has been determined that 6% of monthly household income is a reasonable percentage for

energy service and monthly energy charges above that are supplemented by a monthly PIPP pledge from DCEO. Ameren Illinois actively partners with DCEO and consumer advocates to monitor the success of the program and increase participation.

Arrearage Reduction Program

The Arrearage Reduction Program (ARP) is an additional component of the PIPP described above. Upon enrollment in the PIPP, a customer's outstanding balance is held in abeyance and as the customer makes timely payments each month, a portion of the arrearage is forgiven.

C. Definitions

- 1. How should the following terms be defined? Are there federal or other state standards or guidelines that more clearly define these terms?**
 - a. Affordability** – Ameren Illinois defines affordability differently in multiple settings. Our Ameren Corporate Sustainability Report defines affordability as delivery of reliable and safe electric services to customers at a cost less than or comparable to regional and national electric utilities. For purposes of the State of Illinois' energy assistance programs, PIPP specifically, it is defined as 6% of household income. See 305 ILCS 20/18.
 - b. Low-Income** – The Illinois Administrative Code Part 280.20 defines a Low-Income customer as a residential customer who has qualified under the income criteria of Section 6 of the Energy Assistance Act of 1989 [305 ILCS 20/6]. Qualification is effective for purposes of this definition when the Low-Income Home Energy Assistance Program (LIHEAP) administrator notifies the customer's utility of the customer's low-income status. Qualifications established on or after September 1 shall remain effective for purposes of this definition until December 31 of the following year. Qualifications established before September 1 shall remain effective until December 31 of that same year. See 83 Ill. Adm. Code 280.20. For purposes of the Energy Efficiency program authorized by the Public Utilities Act (220 ILCS 5/8-103), a low-income customer means a residential customer of a participating utility with a household income at or below one-hundred and fifty percent (150%) of the poverty level or households at or below eight percent (80%) of the Area Median Income.
 - c. Critical Medical Needs Customers** – Customers who depend on electrically operated medical equipment for life sustaining purposes.

- d. **Delinquency** – The Illinois Administrative Code Part 280.20 defines past due as any amount unpaid for more than two days beyond the due date on a customer's utility account bill statement. See 83 Ill. Adm. Code 280.20.
 - e. **Disconnection** – Disconnection falls into two categories: voluntary and involuntary.
 - i. A voluntary disconnection occurs any time a customer requests to terminate service at a premises thereby closing the utility account. Closure of an account (or disconnection) can also occur when a new customer requests to open an account at the premises. A new account is opened for the new customer and the old account is closed for the previous customer.
 - ii. An involuntary disconnection is more commonly referred to as a non-pay disconnection. This occurs as a result of the customer's failure to make payment or payment arrangements on a delinquent balance. AIC complies with all rules associated with non-pay disconnection in Part 280.130 and 280.135. 83 Ill. Adm. Code 280. 130 and 280.135.
 - iii. Disconnection may also occur any time a customer or the public's safety is an issue. Examples include gas leaks or tampering with service connections.
 - f. **Displacement** – A customer who was disconnected for non-payment and whose premises remains disconnected.
 - g. **Reconnection** – Reconnection occurs when a customer, whose utility service has been involuntarily disconnected, remedies the situation to have utility service reestablished at the premises.
 - h. **Vulnerable Customers** – Customers whose financial circumstances have led them to be in a susceptible position and may be unable to pay for their utility service. Vulnerable customers who can't afford to pay for utility costs, may seek alternative resources, such as energy assistance, when in jeopardy of maintaining utility services or when service has been disconnected.
2. **Are there other undefined terms that are critical to understanding utility service affordability and/or the ability of customers to receive essential levels of electric, natural gas, water and sewer services and, if so, how should such terms be defined?**

Bill cycle – In an effort to regulate monthly cash flow, Ameren Illinois divides billing for all its customers into 21 cycles corresponding to working days throughout each month. Each cycle is billed on a separate day and in turn, each bill for the corresponding cycle is due on a separate

day resulting in staggered bills and payments throughout each month. This process is referred to as the bill cycle.

Collection cycle – The collection cycle encompasses all activities beginning with late payments and ending with possible disconnection of service. Because bill due dates are staggered, the collection process is also staggered throughout the month. Staggering these cycles allows AIC to effectively manage the calls and other activities associated with late payments, disconnection notices, and non-pay disconnection; ensuring that customers in this situation have timely access to assistance.

Deposit – A deposit is payment provided by a customer and held by a utility as a guarantee payment towards future utility service. It is applied towards unpaid debts unless the customer's payment habit suggests security is no longer warranted. The money is then is returned by check. AIC complies with the rules associated with requiring a deposit in Part 280.40. 83 Ill. Adm. Code 280.40.

Down Payment – A down payment is referred to the minimum amount a customer is required to pay prior to entering into a payment agreement that defers the past due balance and allows it to be paid in equal monthly installments. The down payment is applied to the customer's arrearages and reduces the amount owed. AIC complies with the rules set forth in the Part 280.120 and 280.125 when calculating a customer's down payment. 83 Ill. Adm. Code 280.120 and 280.125.

Other terms and definitions frequently used by AIC are described in Part 280.20 of the Commission's rules. 83 Ill. Adm. Code 280.20.

D. Information Collection and Reporting

- 1. Please identify any changes that could be made to current information reporting requirements that would better inform the Commission regarding service**

affordability and/or the ability of customers to receive essential levels of utility services including the entities that should be required to provide the information. In your response please also address the format of such information collection, the authority for compelling the production of such information, and how the information should be publicly reported.

Ameren Illinois currently reports a variety of information to the ICC; many reports have been in place for decades. The Company supports a collaborative review of all data currently supplied to the ICC to determine its relevance and to find opportunities for improvement. Recent focus has been on the delineation of low-income vs. non-low-income customers and providing data by ZIP Code. Ameren Illinois can support this level of detail. In terms of format, the data should be consistent across the State and presented and delivered in a manner that allows for analysis yet ensures customer privacy.

- 2. Please identify any additional information that might be collected that would better inform the Commission regarding service affordability and/or the ability of customers to receive essential levels of utility services including the entities that should be required to provide the information. In your response please also address the format of such information collection, the authority for compelling the production of such information, and how the information should be publicly reported.**

Ameren Illinois supports the NARUC reporting recommendations and its goal of evidence-based policy making. Collecting and sharing utility data plays an integral role in understanding customer behavior which in turn can be used to develop meaningful policy. Ameren Illinois supports the monthly tracking of aged receivables, write-offs, deferred payment agreements (duration, default, reinstatement, renegotiation and completion) and payment habits. Data should be formatted consistently across the State and presented and delivered in a manner that allows for analysis yet ensures customer privacy.

E. Assistance Programs

1. What assistance programs are available to residential customers that help them pay for utility service and receive a continuous supply of essential utility services and how effective are these programs?

Ameren Illinois has multiple programs that enable its residential customers to pay energy bills to ensure a continuous supply of essential utility services. These programs are described below:

Warm Neighbors Cool Friends (WNCF) (1982 – Present)

The Energy Assistance Foundation is a non-profit, 501(c)(3) organization founded in 1982 to provide weatherization and bill payment assistance to Ameren Illinois customers. The Foundation is funded completely by employee and customer donations. In addition, Ameren Corporation provides an annual donation to cover administrative costs. It is one of the few organizations which can claim that all customer and employee donated dollars go directly to the customers needing assistance.

The Foundation operates a year-round program called Warm Neighbors Cool Friends that provides bill payment assistance to customers at 200-350% of the poverty level.¹ This program is unique in that it helps families and seniors who typically do not qualify for other forms of assistance such as LIHEAP.

Energy Infrastructure Modernization Act (EIMA) Programs (2012 – Present)

- **Ameren Illinois Military Support (AIMS)**

Grant applied to eligible accounts. Eligible applicants are members of the military on active duty and disabled veterans. In addition to a grant, the applicant may receive multiple payment agreements if needed.

- **Low Income Residential Hardship Program**

Customer outreach events: Events to promote and encourage payment arrangements and provide energy efficiency tools to educate customers on methods to control cost by managing their energy usage. Income eligible customers receive grants toward their electric bill as well as energy efficiency products.

Low-income Program: Cooling and heating programs that provide grants to eligible customers.

- **Senior Education**

Participation in senior events that provide budget assistance education and tools to low-income senior citizens to assist with managing energy costs by partnering with Energy Efficiency and Community Relation groups.

Fresh Start (2020)

Bill payment assistance for customers experiencing a financial hardship due to the COVID-19 pandemic was included in the Stipulated Agreement. The AIC program targets two separate customer segments – low income and moderate income.

- **Low Income:** Up to 200% Federal Poverty Level

Eligible customers can receive up to a \$700 energy grant; up to \$400 for electric service and up to \$300 for gas service.

- **Moderate Income:** Between 200 – 350% Federal Poverty Level

Eligible customers can receive up to a \$350 energy grant; up to \$200 for electric service; and up to \$150 for gas service.

Agency Donations (2016 – Present)

Donations given directly to local LIHEAP agencies to provide bill payment assistance to Ameren Illinois customers. Each agency was able to create its own program based on the needs of the communities it serves.

LIHEAP and PIPP

Low-income Ameren Illinois customers have access to State and Federal funds provided by the LIHEAP and PIPP programs. In fact, AIC customers receive approximately \$40 million annually in LIHEAP grants, approximately \$10 million in PIPP grants, and \$800 thousand in Arrearage Forgiveness Credits.

- **Low Income Home Energy Assistance Program (LIHEAP)**

Helps eligible low-income households pay for home energy services (primarily heating during winter months). Illinois residents with a household income that does not exceed an amount determined annually by the Department of Commerce are eligible. Annual eligibility levels are determined based on available funding and may not exceed 200% of the federal poverty level.

- **Percentage of Income Payment Plan (PIPP)**

An alternative to the Traditional LIHEAP program, PIPP offers eligible customers the opportunity to receive monthly assistance in comparison to the one-time traditional LIHEAP benefit. The Energy Assistance agency will give each customer a choice between traditional LIHEAP or PIPP (if funding is still available).

The programs described above are effective with respect to the number of customers assisted and the dollar amounts by which their balances are reduced. Ameren Illinois has a variety

of programs that reach a diverse set of customers including low income, moderate income, veterans, and seniors. The success of these programs can be measured in terms of the ability to provide continuous service to the Company's most vulnerable customers. The level of interest in these programs continues to grow confirming the need in our service territory.

2. What changes could make the programs more effective?

Considering other avenues to promote the Company's programs and more easily accept applications will make them more effective. Ameren Illinois wants to reach as many qualifying customers as possible and spread the word about available funding on the utility bills. Additionally, electronic submission of applications on our website will lead to less customer effort to apply. Also, Ameren Illinois would be willing to discuss helping its local LIHEAP agencies with providing intake and income-certification. This would be a significant effort and partnership between the utility, DCEO, and state agencies. At times, especially during the COVID pandemic, there's a multitude of customers seeking assistance from the State of Illinois programs creating a bottleneck during the intake process. Changing customer payment behavior by incentivizing on-time payments can also be an option we would like to discuss. The State of Illinois program, PIPP, rewards on-time payments by providing a credit towards arrearages to help retire unpaid debt. Utilities may be able to offer a similar program to low-income customers who are not on PIPP which helps change payment behavior and reduces their debt, making the bill more affordable.

3. Identify appropriate criteria for evaluating program effectiveness.

Evaluation of programs is a necessary action by businesses in order to recognize gaps and areas of improvement that are not meeting expectations. In order to appropriately evaluate a program, goals will need to be made at the onset of the program to identify shortfalls and take corrective action. Criteria considered when evaluating Ameren Illinois programs are listed below:

- Did Ameren Illinois successfully accomplish the objective of spending the allotted funding in the designated timeframe?
- Is Ameren Illinois reaching a different pool of customers each program year? If not, Ameren Illinois may need to consider alternate advertisements.
- Do the programs reach a diverse set of customers in the territory giving an opportunity for many customers to receive assistance?
- Was the program timely and fit the economic conditions?
- Does the program help reduce aged receivables and uncollectible expense?

4. What portion of the eligible population is served by existing assistance programs?

Through its in-house assistance programs, Ameren Illinois can currently serve one quarter of the eligible population who have been designated as low income through state-administered programs. Additionally, in many instances Ameren Illinois can refer customers to other assistance programs offered on the state and local level. Having a network of agency programs provides more opportunity for customers to maintain and better manage their energy bills.

5. What outside sources of funding other than the identified assistance programs do residential customers use to pay past due utility bills, such as tax refunds, credit cards or personal loans?

While AIC cannot conclusively identify outside sources of funding, it does receive customer payment via cash, check, money order, credit card, ACH transaction, and energy assistance grants.

6. Are there programs not currently available in Illinois, including programs adopted in other states, that could increase affordability and/or the ability of customers to receive essential levels of electric, natural gas, water and sewer services?

Ameren Illinois considers itself a leader in offering programs to customers that fit their budgeting needs and help maintain essential utility services. Some of these offerings, previously described, include Flex Pay, Pick a Due Date, and Budget Billing. In addition, Ameren Illinois participates in discussions with various organizations including the Low Income Energy Issues Forum (LIEIF) and the LIHEAP-PIPP Policy Advisory Council (PAC), attends webinars and

conferences, and regularly meets with its peers in Illinois to learn from other industry leaders about new programs that can assist customers.

One program currently under review at AIC is the Supplemental Arrearage Reduction Program. This program brings an arrearage reduction program component to the traditional LIHEAP program which should serve to change payment habits and elevate customer accountability. The necessary legislation for such a program has already been enacted and funding for the program is available, leaving only the program rules and utility implementation details.

F. Credit and Collections Practices

1. Please identify and describe best collection practices and how existing collection practices can be improved.

Ameren Illinois continually works to meet the needs of its customers, especially those struggling with delinquencies. Efforts in this area focus on communication. Keeping the customer informed of actions to be taken on the account and providing easy access to potential remedies has proven to be very effective. Below are some additional details on these practices and tools.

In addition to the notifications prescribed by 83 Ill. Adm. Code, Part 280.130, AIC has partnered with a third-party vendor to provide various credit-related text and email alerts. These notifications include alerts for disconnection notice issued, sufficient payment received, insufficient payment, cut for non-payment completed, and reconnection completed for those customers who wish to be contacted by these methods. In 2019, AIC sent over 700,000 credit-related electronic alerts.

Another tool that AIC uses to engage customers is in-person outreach events. Since 2015, AIC has held 31 such events, assisting over 12,600 customers with nearly \$1.8 million in grants. These events, held in the spring and the fall of each year, offer both financial assistance and face-

to-face customer interactions to provide information on other energy assistance, energy efficiency tools, budget billing, and payment agreements to assist customers with accrued bills.

Many customers prefer to engage with the Company online. In response to those needs, AIC developed a web self-service DPA tool offering customers the opportunity to set their own arrangements at their convenience 24/7. The customer may choose a down payment from established minimums and manipulate the number of months for repayment to the established maximums; personalizing a plan that can work for their situation. The same tool is also available through the AIC Interactive Voice Response (IVR). In fact, our customer surveys for second quarter 2020 indicate that on five-point scale, 87% of customers gave the tool top scores in terms of navigation, 90% gave the tool top scores in terms of clarity of information provided, and 88% gave the tool top scores in terms of resolution of their request. Allowing customers alternatives to seek resolution to their issues through the channel with which they are most comfortable has provided tremendous benefits to customers.

Another online tool developed at AIC is the Energy Assistance Portal. While the portal is designed for use by the energy assistance agencies in the Company's territory, it also indirectly benefits utility customers. Agencies are able to log in and access copies of their client's bills needed for the appointment, make pledges towards the client's account and access a variety of account information including consumption history, payment history, pledge history, DPA availability, and disconnection status. The tool, launched in 2011, continues to receive praise from its agency users as it is unique among Illinois utilities.

As stated previously, AIC is always seeking to improve to meet the needs of a very diverse customer base. Participation in various industry groups, both at the state and national level, provide insight into customer needs and ideas for the future. The Company looks forward to future

discussions with respect to this Notice of Inquiry and the chance to help shape public policy to provide more success to its customers with respect to energy affordability in Illinois.

2. Please identify and describe any concerns regarding privacy associated with collecting, storing and/or sharing of consumer information.

Ameren Illinois customers benefit from a strong corporate-wide cyber security program which protects consumer data and information from the point of collection through storage and destruction when it no longer required. The cyber security program includes policies and procedures for handling all corporate data, including consumer data. Additionally, any data that is exchanged externally with trusted third-party partners is managed through appropriate contracts, with appropriate Cyber Security terms and conditions. Employees who do not need access to customers' personal data for their normal business responsibilities are blocked from viewing and obtaining any customer personal identifiable information. Ameren Illinois continues to take necessary precautions to safeguard consumer information and mitigate risk.

3. Within the following subjects as they relate to affordability, please identify and describe practices/concepts that are currently working well, areas that can be improved and ideas/plans for improvement:

- a. Communications/Outreach**
 - b. CSR tools to identify consumer budget needs/challenges**
 - c. Encouraging payment**
 - d. Referrals to Community Services**
 - e. Privacy and Consumer concerns about sharing data**
- a. Ameren Illinois utilizes multiple channels of digital communications (web, chat, IVR) in addition to CSRs interactions to aide in consumer affordability. Outreach events are hosted yearly to provide consumers energy assistance, budget billing tools, and energy efficiency programs. Ameren Illinois strives to execute with excellence; therefore, continuous improvement is an integral piece of the outreach and communications framework.

- b. Through training and system enhancements, Ameren Illinois works to ensure that CSR's have the necessary tools to assist with consumer budget needs and challenges. We continue to provide additional self-service tools for consumers to meet evolving customer expectations.
- c. Education campaigns, email, and text alerts are deployed to encourage awareness and participation in customer programs, such as payment with budget billing, deferred payment agreements, and electronic fund transfers.
- d. Consumers are referred to their local community service agency for assistance through both digital and agent-assisted channels.
- e. Ameren Illinois does not share consumer information with unauthorized third parties.

Please see response in question #2.

G. Energy Efficiency Measures

- 1. What current utility energy efficiency programs aimed at increasing the affordability and/or the ability of customers to receive essential levels of electric services are available and how effective are they?**

Efficiency Programs

AIC delivers a portfolio of energy efficiency programs aimed at reducing customer energy usage, both electric and gas. These programs help to improve customer bill affordability and access to essential services such as electricity. Customers participating in Ameren Illinois' energy efficiency programs are able to reduce their energy and/or demand charges. Financial incentives, coupled with on-bill financing, technical support, and other efforts on behalf of AIC to engage customers, enables both residential and eligible business customers, large and small, to complete energy saving upgrades in their homes and businesses. For customers that may not participate directly in these programs, there are still system-wide benefits from the reduced energy

consumption and electric demand from customers who do participate. AIC is able to maintain better system reliability and affordability for all customers due to these demand-side management efforts. AIC focuses on energy efficiency initiatives aimed at increasing the affordability and ability to receive essential levels of electric service for our most vulnerable customers, namely low- and moderate-income residential customers.

AIC has a long-standing commitment to reducing the energy burden of its most at-risk customers. Programs are available to customers whether they live in single-family homes or a multifamily unit or apartment, whether they rent or own, and inclusive of public housing authorities. AIC residential programs cover all income levels, with a particular emphasis on reaching customers designated as low to moderate income (defined as less than 200% for low income and less than 300% of federal poverty level for moderate income). While the Future Energy Jobs Act (FEJA) requires a minimum spending level for income-qualified customers, Ameren Illinois has exceeded these requirements every year, which has driven increased affordability and ability of these customers to receive and maintain electric service from AIC.

AIC utilizes multiple channels to engage qualifying customers with these offers. The Company enlists the support of a broad coalition of local organizations and businesses, such as Community Action Agencies (CAA's), program allies (trade allies/contractors), and market outreach and engagement specialists (implementation contractors) in order to meet customers where they are and with trusted voices that can help drive deeper engagement and thus achieve greater energy affordability for participants.

In each channel, a whole-home energy audit, including health and safety inspection, is completed by a BPI (Building Performance Institute) certified professional. Customers are able to receive instant saving measures (direct install) as part of this program interaction, while HVAC

and/or building envelope measures are identified and scheduled for a qualified contractor to complete, typically on a subsequent visit or program interaction.

Community Action Agency Channel – AIC partners with CAA's to identify and serve low-income customers in either single or multifamily residences, though agencies tend to serve primarily single-family residences in the AIC service area. Income eligibility requirements match the state of Illinois weatherization guidelines, targeting customers up to 200% of Federal Poverty Guidelines, allowing AIC to “braid” program funding with funding from state and federal sources. AIC works with over 20 CAA's in its service area to coordinate and execute delivery of utility funds and measures to these target customers and is typically able to fund as many homes and customers as each CAA's capacity will allow.

Registered Program Ally Channel – AIC partners with trade allies (contractors) in its service area to serve low- and moderate-income customers in single-family residences. Income eligibility requirements allow customers with household income up to 300% of Federal Poverty Guidelines to participate, allowing customers who may not traditionally qualify for assistance as low-income customers to receive similar services at no or low cost. AIC works with 1,443 business Program Allies and 883 residential Program Allies across its service area to coordinate and execute delivery of utility funds and measures to these target customers.

Multifamily Channel – AIC partners with trade allies (contractors) to target low-income multifamily properties and engage each in a “one stop shop” approach, whereby any multifamily property can participate successfully across the portfolio of offerings, including Business and Residential rebates and services. Income eligibility for multifamily

properties is determined through several pathways based on documentation provided by the property manager. Eligibility pathways include but are not limited to participation in an affordable housing program, participation in a weatherization assistance program, location in a low-income census tract, rent roll documentation, or tenant income information.

Smart Savers Channel – AIC markets this initiative directly to specific zip codes with a high concentration of low- and moderate-income (LMI) customers. Smart Savers offers customers a way to receive a smart or advanced thermostat directly at their home. Qualifying households may either install the device themselves or schedule a qualified contractor to complete installation at no cost.

In addition to program offerings focused on serving Income Qualified (IQ) customers, AIC delivers the following initiatives, which are available to all residential customers:

Appliance Recycling Initiative – AIC helps customers to remove and recycle operable, inefficient refrigerators and freezers in an environmentally responsible manner. Old appliances are picked up for free and customers may also receive a financial incentive for participating, as well as an energy saving kit that customers can install in their homes.

Direct Distribution of Efficient Products Initiative – AIC targets students in grades 5 through 8 with an energy education program aimed at increasing energy efficiency and conservation awareness with students, translating into action back at each family's household. Participating classes receive an energy education presentation and direct install measures by qualified professionals. Students are provided with an energy saving kit that they can be installed in their own home to reduce electric, natural gas, and water bills.

These kits are also distributed through community events and other outreach efforts to Ameren Illinois households.

HVAC Initiative – AIC partners with HVAC contractors to offer instant discounts and/or mail-in cash-back rebates on efficient electric heating and cooling equipment, heat pump water heaters, and smart thermostats.

Multifamily Initiative – AIC offers this program to all multifamily customers who don't qualify for the IQ multifamily channel. Similar to the IQ multifamily channel, customers receive an energy assessment, direct install measures, and incentives for mechanical and/or envelope measures identified.

Public Housing Initiative – AIC works with public sector housing authorities to provide the same set of services and incentives as offered to other IQ eligible multifamily properties. Income eligibility requirements, home assessment, weatherization services, and incentive structure are the same but targeted to these public agencies and their facilities.

Retail Products Initiative – AIC offers point-of-sale incentives at "brick and mortar" retail stores and online e-commerce sites to encourage residential customers to purchase high efficiency products. Instant discounts are available on a variety of ENERGY STAR rated lighting products, smart thermostats devices, and home appliances.

The programs described above provide AIC residential customers, whatever their income level and living situation is, multiple opportunities to reduce their energy usage and costs, improving energy affordability and maintaining customer access to basic electric services.

Program Effectiveness

AIC energy efficiency programs are evaluated annually by an independent, third-party evaluator to determine their cost effectiveness. The independent evaluator was approved by the

Commission in Docket 13-0498. The independent evaluator is responsible for preparing an annual evaluation report, verifying savings achieved by AIC energy efficiency programs. Evaluated savings are “net” of multiple factors taken into consideration by the evaluation process, including the voracity of the utility’s claimed savings (realization rates) and potential free-ridership. Ameren Illinois’ portfolio of energy efficiency programs must meet multiple statutory requirements, including cost effectiveness of the overall energy savings achieved. In AIC’s most recently completed evaluation from program year 2019, its residential EE portfolio achieved a cost effectiveness ratio of 2.60, signifying the programs have a high degree of effectiveness in terms of funding.

AIC has offered energy efficiency programs focused on low-income sectors since June 2014, providing Income Qualified and moderate-income customers a cumulative total of 35,820 MWH of electric savings through December 2019. Assuming average residential customer cost of service³, IQ and moderate-income customers saved over \$3.6 million in first year costs by participating in energy efficiency programs.

In addition to its portfolio of residential program offerings, AIC's Market Development Initiative (MDI) is designed to develop the energy efficiency workforce, increase energy efficiency program participation in unserved or underserved communities as well as develop and support local and diverse businesses. These efforts are intended to build a strong foundation for future growth and diversification of the energy efficiency sector and workforce needed to serve it. This will help the market to meet both the demand for services and programs while AIC energy efficiency programs continue to focus on helping customers in the current cycle.

³ Average residential electric prices (10.01 ¢/kWh) – Edison Electric Institute, "Typical Bills and Average Rates Report" for 12 months ended June 30, 2019

2. What energy efficiency information, surveys or other data are available that address the effect of utility energy efficiency program participation on affordability and/or the ability of customers to receive essential levels of electric services?

Ameren Illinois' independent evaluator, Opinion Dynamics Corporation (ODC), conducted a Non-Energy Impacts Economic Analysis based on the portfolio of programs implemented during the 2018 calendar year. ODC findings were published in a report dated April 16, 2020, and estimate that bill savings resulting from AIC energy efficiency programs completed in 2018 will save residential households \$103.7M and Income Eligible households \$41.3M over the lifetime of measures installed that year.

Ameren Illinois' Customer Satisfaction Team utilizes syndicated research provided by J.D. Power. This research is performed using online panels and includes a variety of questions that may influence customer satisfaction with utility service (including but not limited to price). The survey conducted January/February 2020, contained questions relative to customer awareness of their utility energy efficiency/conservation programs. The survey responses of 252 Ameren Illinois customers are provided in the table below with answers provided on a scale of 1-10.

J.D. Power Q1 2020 Data - Ameren Illinois	Aware of energy efficiency/conservation programs	NOT aware of energy efficiency/conservation programs	Total Customers
<i>Sample Size</i>	<i>154</i>	<i>98</i>	<i>252</i>
Total monthly cost of electric service (average on 1-10 scale)	7.43	6.38	7.02
Efforts of utility to help manage monthly usage (average on 1-10 scale)	7.68	6.19	7.10

Customer responses show most customers surveyed (154 out of 252 respondents), are aware of Ameren Illinois energy efficiency programs. When responding to questions related to

total monthly cost of electric service and efforts of the utility to help manage monthly usage, customers indicating awareness of energy efficiency programs reported higher average ratings (on a scale of 1-10) than those reporting they were not aware of energy efficiency programs. These customer satisfaction survey results indicate just some of the positive impact energy efficiency programs have on AIC's efforts to keep electric service affordable to its customers.

3. With respect to energy efficiency technology penetration:

- a. How many customers continue to use incandescent light bulbs?**
- b. How many customers have advanced thermostats?**
- c. What existing energy efficiency technologies, if more widely deployed, can increase affordability and/or the ability of customers to receive essential levels of electric services?**

For the most recent information on estimated measure/technology saturation and adoption rates in the market and what is still remaining in terms of technical and achievable, please refer to AIC's 2020 Market Potential Study. The below paragraphs provide AIC's best estimations of technology penetration rates based on recent program participation.

Lighting

AIC serves approximately 1.2 million households with electric service. Assuming each household has an average of 45 lightbulb sockets, suggesting there are 54 million lightbulb sockets in AIC territory. Efficient lighting (LED or CFL) sales data gathered from within AIC territory suggest 62.5%⁴ of sockets in AIC territory utilize efficient light bulbs, suggesting that 33 million sockets already have efficient lighting and over 20 million sockets still use incandescent or inefficient lighting. AIC estimates that approximately 450,000 households continue to use incandescent lighting.

⁴ Lighting penetration estimated by CLEAResult using sales data and assumed available sockets per household

Smart Thermostats

AIC has incentivized smart thermostats through its energy efficiency programs since 2017 with a total of almost 75,000 smart thermostats already deployed through 2019. In addition to this program participation information, the Company reviewed estimated consumer product shipment data provided by DOE's ENERGY STAR program for the state of Illinois. ENERGY STAR estimated the purchase of over 69,000 smart thermostats in Ameren Illinois territory during 2020. These two data points indicate a minimum of 12% smart thermostat saturation amongst an estimated 1.2 million households receiving electric service from AIC.

Energy Efficient Technologies

AIC believes increased deployment of ENERGY STAR technologies could decrease users' energy consumption thereby increasing affordability of electric services for customers. Advanced efficiency appliances and LED lighting are examples of ENERGY STAR technologies. AIC energy efficiency programs provide direct to consumer, in-store incentives to low-income customers purchasing LED lighting, including through discount stores and major big box retailers. In addition, all customers are eligible to receive rebates on ENERGY STAR products including clothes washers, electric clothes dryers, freezers, refrigerators, and smart thermostats. Weatherization measures also may help with affordability, though wide-scale implementation of these programs is expensive for utility programs to provide and should be balanced with the need to drive other measures at volume and scale.

4. What changes could be made to utility energy efficiency programs to make them more effective at increasing the affordability and/or the ability of customers to receive essential levels of electric services?

Energy efficiency (EE) programs can play an important role in both maintaining and increasing affordability and access to essential level of electric services. These objectives of the

program must, however, be balanced with other policy objectives and statutory requirements placed on utilities by the Future Energy Jobs Act (FEJA), including cost effectiveness and persisting savings requirements. Consistent with the law and Commission directives, Ameren Illinois collaborates with multiple parties and stakeholders to develop portfolio and annual implementation plans in order to balance and achieve these multiple objectives. AIC appreciates the opportunity to continue these collaborations, including with the Illinois Stakeholder Advisory Group (SAG), the Illinois Income Qualified Advisory Committee (IQAC), EE implementers, community leaders and agencies, and other interested stakeholders. The Company gains much through the feedback on the programs, leading to areas where customer offers can be innovated or improved while continuing to balance the multiple objectives and requirements of the EE programs.

One option to increase the effectiveness of AIC's programs at achieving affordability and basic access to electric service objectives would be to consider revisions to the state energy savings policy enacted by FEJA. Under FEJA, state investor-owned electric utilities are required to achieve a Cumulative Persisting Annual Savings (CPAS) goal by 2030. CPAS is defined as the total electric energy savings in a given year from measures installed in that year or in previous years but no earlier than January 1, 2012, that are still in operation and providing savings in that year because the measures have not yet reached the end of their useful lives.⁵ The CPAS framework assigns a useful life for energy savings measures that are implemented or installed. Upon reaching the end of its useful life as deemed by the Illinois Technical Reference Manual (ILTRM), those measures' savings “expire” and then must be replaced with new energy savings. Unfortunately, addressing expiring savings can lead to higher program costs over time as utilities

⁵ Public Utilities Act (220 ILCS 5/8-103B(b))

have to achieve both incremental (current year) savings targets as well as replacing those savings that may have expired. For many of these energy saving measures, energy efficient equipment installed by the program may not necessarily “expire” at the end this designated measure life. Customers would either be backsliding to old, inefficient technologies in the future and/or the average rated life of a measure is likely to be exceeded by at least some portion of actual equipment in the field. In other words, savings are unlikely to degrade or expire as stated in the ILTRM. The savings expiration model is punitive to the utility and programs AIC would like to offer to its customers, since it assumes what is essentially a worst-case scenario for the end of a measure's useful life.

Accordingly, clear guidance – through amendment to the EE Policy Manual, changes to the IL-Technical Reference Manual, or other appropriate mechanism – that would recognize the benefits of energy efficiency investment in measures that increase affordability and access would assist electric utilities’ efforts in developing and implementing such measures and initiatives. For example, electric utilities could allocate appropriate program budgets to measures that may increase affordability and accessibility for low- and moderate-income households, even though those measures may be more expensive on a per kilowatt hour basis than other measures and/or may lead to lower levels of persisting savings. The SAG and IQAC could also be asked to allocate resources to identifying, through industry expert presentations, meetings and discussion, other ways to modify the law, policy or programs to promote measures that increase affordability and access to electricity. Given the strong legal and policy framework that has been created in Illinois, as well as the robust stakeholder process, Ameren Illinois welcomes the opportunity to continue working through the SAG framework to identify the best ways to meet the accessibility and affordability policy goals for the benefit of Illinois ratepayers.

5. How effective are weatherization programs currently available to customers at increasing affordability and/or the ability of customers to receive essential levels of electric and natural gas services?

The Single Family, CAA, and Multifamily channels of the IQ Initiative outlined in response to question 1 consist of weatherization and other energy saving measures. The first step conducted within each channel is a Building Performance Institute (BPI) energy audit that identifies building envelope and HVAC retrofit opportunities along with health and safety inspections. During the audit, implementation staff also install energy-efficient “direct install” (DI) measures such as LEDs, showerheads, faucet aerators, advanced power strips, and pipe insulation. Following the audit, customers may also receive measures typically considered as "weatherization." The "weatherization" program measures include building envelope measures (i.e., air sealing and insulation) and high efficiency HVAC measures (i.e., smart thermostats, central air conditioners, boilers, and air source heat pumps). These initiatives provide all audit services and DI measures at no cost to the customer. Low-income, single-family customers and multifamily properties may require a minimal co-pay for building envelope measures and HVAC retrofits. Moderate-income, single-family participants may pay out of pocket costs for HVAC-related mechanical repairs exceeding \$1,000 and building envelope retrofits exceeding \$2,000. In an effort to assist customers that may face challenges with out-of-pocket costs associated with the program, Ameren Illinois provides a Commission-approved on-bill financing (OBF) program. The OBF program is administered by a third party, Slipstream Group, Inc. OBF provides customers the opportunity to finance the installation of electric and gas energy efficiency measures, and to pay back such funds through the customers’ electric and gas utility bills. AIC's approved OBF program is a significant component of AIC's energy efficiency portfolio and has been demonstrated to be a key driver for continued customer participation since it provides customers with an

opportunity to install energy saving measures with zero initial investment overcoming barriers related to cost for measure installation.

AIC's independent evaluator, ODC, is responsible for evaluating, measuring and verifying the number of home/properties served and energy savings achieved through implementation of the energy efficiency programs. Effectiveness of AIC weatherization programs is best illustrated by referencing evaluation findings. Summary tables taken from the 2019 Residential Program Annual Impact Evaluation Report published by ODC on April 30, 2020 are provided below, demonstrating that over 4,100 single-family homes and over 1,100 multifamily units were served that year alone.

IQ Initiative Participation Summary – Single Family Channels

Participation	Channel Type		Total
	Single Family	CAA	
Number of single-family homes served	4,157	380	4,537
Full Participation: DI + Building envelope or HVAC measures	2,038	358	2,396
DI measures only	1,612	4	1,616
Building shell or HVAC measures only	507	18	525

IQ Initiative Participation Summary - Multifamily

Participation	Total
Number of multifamily properties served	49
DI Measures only	28
Full Participation: DI + HVAC measures	14
HVAC measures only	7
Number of units served	1,108

The table below summarizes 2019 electric energy savings achieved by AIC weatherization programs as verified by ODC. Assuming average residential customer cost of service,⁶ customers saved over \$1.1 million in first year costs by participating in weatherization programs.

⁶ Average residential electric prices (10.01 ¢/kWh) – Edison Electric Institute, "Typical Bills and Average Rates Report" for 12 months ended June 30, 2019

IQ Initiative Annual Electric Energy Savings

Channel	Verified Electric Energy Savings (MWh)	First Year Cost Savings (\$)
Single Family	9,332	\$934,133
CAA	815	\$81,581
Multifamily	1,630	\$163,163
Total	11,777	\$1,178,877

As part of the evaluation of the 2019 Ameren Illinois IQ Initiative, ODC conducted in-depth interviews with CAAs participating in the CAA channel. The in-depth interviews aimed to capture feedback from CAAs regarding their experiences implementing projects through the Initiative and collect feedback on customer satisfaction. The findings noted that the IQ Initiative has improved the ability of CAAs to reach income-qualified communities and that participating customers are satisfied with the Initiative application and participation process, the cost savings, and the health and comfort improvements from the energy efficiency upgrades they received.

6. Identify obstacles faced by low-income consumers that prevent them from participating in weatherization programs?

Low- and moderate-income qualified customers of AIC are able to participate through several program channels, including AIC's utility-only sponsored IQ Initiative as well as through CAAs and the IHWAP program.

Regarding the CAA channel, there is often a waitlist to participate in IHWAP co-funded programs through CAAs, meaning that customers may face a choice between participating more immediately through the utility-only funded program or defer energy (and health, safety, and comfort improvements) until a later date in which their home may move forward with the IHWAP co-funded offer. Utility-only funded program contractors ensure customers are directed to the CAA channel programs first and are available to serve customers through the utility-only program based on a customer's qualification for specific measures.

AIC's independent evaluator published the IQ CAA Study Findings Memo on February 24, 2020. The findings memo provides insight into CAA weatherization programs offered to low-income customers in AIC territory. The memo finds that the AIC funding allows CAA's to complete more projects, thus serve more people, and that participating customers are satisfied with the program. The memo also reports that long waitlists are a continual challenge as the duration of time spent on the waitlist may affect customer participation or satisfaction with the program. CAA's report waitlists of up to 1,500 customers or wait times ranging from six months to five years before receiving an audit. Fortunately, AIC's IQ Initiative typically has funding to accept these customers, which helps to address this particular barrier with participation via the CAA channel.

Ameren Illinois' independent evaluator prepared a report, "Low Income Need Assessment" (published September 17, 2018) that identified barriers to low-income customers participating in any energy efficiency programs. Those barriers include a technology divide between IQ and non-IQ homes with observation of lower levels of internet access in the home and less likelihood of being familiar with smart phones. For some measures such as smart thermostat devices, AIC and its program allies ensure additional customer education and training is provided to ensure measures are implemented correctly to save customers energy. Another barrier IQ customer's face is higher likelihood of renting with shorter periods of time living in the home which can affect their ability to make energy saving upgrades. For AIC programs, the Company has developed income verification and project application processes that facilitate more participation from IQ properties by reducing these types of owner/tenant conflicts.

Another barrier to participation includes any potential out-of-pocket costs for a homeowner or multifamily building owner to perform health and safety repairs outside of the scope of the AIC

program and/or any HVAC upgrades that are identified where program funding does not cover the full incremental cost of those mechanical upgrades. For example, the need for safety/health improvements (mold, lead paint, asbestos abatement) prior to measure implementation, may mean that some repairs are beyond the allowable budget to be fully funded. In those cases, on bill financing offered by AIC can help customers (or property owners/managers) to move forward with projects such as HVAC retrofits that may not be fully covered by available incentives.

Finally, a barrier that can be posed to customers wanting to participate in these programs is a limited set of cost-effective measures that utilities are able to promote. Utility programs must overcome rising costs for some measures due to “expiring” savings, a result of the FEJA legislation. AIC is required to achieve similar levels of annual energy savings, plus replace any savings that are considered to have expired, which can negatively impact program budget available to drive additional participation from IQ customers.

7. What changes could be made to weatherization programs to make them more effective at increasing the affordability and/or the ability of customers to receive essential levels of electric services?

A revision of state policy to prioritize the utility capacity to partner with Community Action Agencies on delivery of weatherization programs with customers covering some of the cost would increase effectiveness. The current policy delivers a weatherization program that pays all measure costs for customers, focusing on comprehensiveness while limiting the number of customers served and creating long wait periods for customers interested in participating. Delivering the CAA channel with an incentive design that requires a small copay would stretch program dollars further, thereby reducing customer wait periods and increasing the number of homes served. Offering a variety of programs providing high impact measures at low cost relative to energy savings (e.g., smart thermostats), delivers customers the most benefit.

Additionally, an increased focus on outreach and education has been identified as an area that could increase effectiveness of programs thereby increasing customer affordability. Currently, utility energy efficiency programs coordinate with local CAAs to reach customers in need of weatherization programs. A coordinated outreach campaign, executed in conjunction with the CAAs along with other community-based organizations, such as places of worship and other non-profit organizations, could engage additional customers and help grow participation.

H. Distributed and Community Solar

1. What distributed and community solar programs are currently available to customers that increase affordability and/or the ability of customers to receive essential levels of electric services, how effective are the programs at achieving these objectives, and what changes could make the programs more effective?

Ameren Illinois is not aware of any historic or current distributed generation (DG) or community solar programs that increase the affordability of electric service for Ameren Illinois' low-income customers. Low-income customers pay full shares of the customer funding for the incentives associated with distributed generation and community solar facilities, and receive no or little benefit from the facilities that are built to serve customers within Ameren Illinois' service territory.

This dynamic is exacerbated by the structure of the current funding and distribution mechanism for renewable energy credits (REC) that are used as the basis of incentives for DG development within the state. Money to fund the programs comes exclusively from the customers of investor-owned utilities, including Ameren Illinois' low-income customers, but is available to fund projects throughout the state, including those located in territories served by electric cooperatives and municipal electric systems.

The availability of additional DG incentives through smart inverter rebates, which are funded by all customers within the respective delivery service classes, magnifies the negative

impact of DG on the affordability of energy service for low-income customers. As discussed below, the investment in rebates paid by low-income customers provides no net financial benefit for these customers, regardless of the generator ownership model.

There are two classifications of DG facilities funded by the Illinois incentive programs: behind the meter (BTM) or on-site generation, and remotely-located generation, often referred to as community solar. The following discussion addresses the impact of both classes of facilities on Ameren Illinois' low-income customers.

BTM Facilities

Funding designated for on-site or BTM generation is an expense with no benefit for low income customers. These customers most often don't own the residences in which they live, and those that do own their residences lack the disposable income necessary to invest in on-site generation. A "typical" residential DG installation currently costs \$18,000 - \$20,000. Even with the generous and unsustainable adjustable block program RECs (priced at 14 times the market price for utility-scale RECs – please see Ameren Illinois' testimony in Docket 19-0995) used as the primary financing source for BTM installations, the facilities also rely heavily on federal investment tax credits (ITC) for their financial viability. However, one has to have sufficient federal income tax liabilities against which to apply the credits, and low-income customers are unlikely to have tax liabilities of the scale needed to support these projects.

The same misalignment applies to the smart inverter rebates available to DG facilities located BTM. Again, since it's extremely unlikely that low-income customers will own their residences or have the disposable income necessary to build a BTM DG unit, any rebates funded by these customers represent an increase in their costs of electric service without any resulting benefit.

And, again, the same dynamic plays out with regard to delivery service charges and taxes. Delivery service charges for residential customers are primarily volumetric and taxes are exclusively applied on the excise basis (i.e., a per kWh basis). Customers with BTM DG are able to reduce the amount of electricity they pull from the grid through AIC's meter, but the costs to provide delivery service to those customers remains unchanged. As a result, other customers within the rate class, including low-income customers who lack the opportunity to make the investment to reduce their delivery service charges and taxes, have to pay a greater portion of the total cost to provide delivery service within the rate class.

Finally, a less visible impact of DG on low-income customer energy service affordability comes from the monies AIC spends to support the development of DG. While AIC deliberately uses a low-tech and low-cost approach that focuses on communication to support the investment in DG in its territory, since low income customers are effectively shut out from installing BTM DG, it's an additional level of costs they pay from which they receive no direct financial benefit.

The recognition of this dynamic is not new. AIC identified the lack of home ownership and the lack of disposable income as shortcomings of traditional EE programs and aggressively pushed to expand access by low income customers to EE programs in its first post-Future Energy Jobs Act energy efficiency plan. Although that approach encountered substantial opposition at the time, AIC's approach has been effective in expanding access by low-income customers to EE programs to help those customers reduce their energy usage and costs. AIC also notes that Governor Pritzker similarly recognizes this dynamic and recommends increased funding for low-income EE programs in his recently-issued "Eight Principles for a Clean Renewable Illinois Economy" policy guideline.

Remotely Located Generation (Community Solar)

While low-income customers are structurally blocked from benefitting from BTM generation, the community solar programs, especially under the Illinois Solar for All program, offer the potential for low-income customers to benefit from their investments in these facilities, especially in the form of community solar. However, the implementation of low-income community solar is in the early stages, and therefore, it is not yet clear what costs will be incurred by low-income customers for subscriptions and/or electricity usage. In other words, it remains to be seen if low-income customers will receive the desired benefits of the Illinois Solar for All program; i.e., access to solar energy at a price that provides savings relative to the status quo.

At this time, there appears to be only one Illinois Solar for All community solar facility slated for development in AIC's territory, which reinforces the inequity between the monies paid by low-income customers to support DG development and their opportunity to receive any benefit from the funding that they provide. To be clear, AIC's understanding is all community solar developers, whether participating in the Adjustable Block Program or the Illinois Solar for All Program, are adhering to the program guidelines required by the Illinois Power Agency for their respective facilities. The shortcomings identified for low-income customers are the simply the result of the financing model currently used to build and operate these facilities.

Additionally, while the labor used to construct the facilities may come from local sources, the ownership of the majority of these facilities is with out-of-state entities. This reduces the economic multiplier effect normally provided as the result of business investment since those monies aren't kept in Illinois to be reinvested in the purchase of products and services. This further disadvantages low-income customers since they have to pick up a greater share of the tax revenues that would normally be produced by the local/in-state purchase of these goods and services.

2. Are there programs not currently available in Illinois, including programs adopted in other states that could increase affordability and/or the ability of customers to receive essential levels of electric services?

The need for an alternate approach to enhance energy affordability for low-income customers using DG is plain. As identified previously, BTM generation is largely inaccessible to this customer group. While theoretically accessible, the structure of existing and pending community solar programs appears inadequate to provide meaningful improvements in energy affordability for AIC's low-income customers. AIC has over 73,000 residential customers classified as low-income. Even if we hypothetically assume that all of the output from the 34 community solar facilities in AIC's service territory that were awarded RECs through the IPA's Adjustable Block Program was directed to AIC's low-income customers, less than 14,000 customers would experience relief from their energy costs. (This assumes 400 residential subscribers for each of the 34 funded facilities, a figure provided by the developer of the first operational commercial-scale facility in AIC's service territory.) In actual practice, only a handful of these Adjustable Block Program community solar projects in AIC's territory are focusing on serving low-income customers. And, as previously indicated, only one community solar facility is pending under the Illinois Solar for All Program which specifically targets low-income customers.

As previously noted, AIC testified in Docket 19-0995 that the current community solar program financing structure is unsustainable and unable to allow the state to make meaningful progress towards its renewable energy goals. To enhance the affordability of energy service for low-income customers using community solar facilities alone would require the construction of 232 new community solar generators in AIC's service territory. The current incentive approach applied to these facilities is simply unable to effectively or efficiently address the energy affordability concerns of AIC's low-income customers.

AIC has identified an alternative that leverages Illinois' restructured electric model and relies on utilities to build, operate, and maintain large-scale DG facilities. These facilities would be spread across a variety of locations within the Ameren Illinois service territory, including low-income communities, and whose output could be directly assigned to individual customers, as well as communities economically impacted by coal plant retirements. Our alternative is not intended to compete with the pursuits of the Adjustable Block Program and Illinois Solar for All Programs. On the contrary, our proposal for Ameren Illinois solar ownership is complementary to these programs, with the result being a cost-effective increase in the quantity of renewable generation in our service territory. The clean energy resulting from these facilities would be accessible by a diverse customer base, including low-income customers.

Utility Development of Utility Scale DG

This approach does not require use of any monies paid to support deployment of DG and doesn't compete with any existing DG programs. It leverages utilities' capabilities to build, manage, and operate facilities and programs at scales that are more economical than community solar sized facilities. In addition to the direct assistance potentially available to low-income customers should the kWh output be allocated to their accounts for supply billing purposes, all customers would benefit from the allocation of all RECs produced to the state's REC goals and the anticipated reduction in uncollectible residential accounts due to the enhancement in energy affordability for low-income customers.

III. CONCLUSION

Ameren Illinois appreciates the opportunity to provide these comments in response to the Commission's Notice of Inquiry and looks forward to continued progress and discussion on important issues regarding the affordability of utility services.

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Respectfully submitted,

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